

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6102

BILL NUMBER: HB 1168

DATE PREPARED: Nov 29, 2000

BILL AMENDED:

SUBJECT: Various Bureau of Motor Vehicle Issues.

FISCAL ANALYST: James Sperlik

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that a driver's permit or license and a state identification card must bear a photograph or a computerized image of the bearer. It provides that an application for renewal of a state identification card may be filed not more than six months before the expiration date of the current identification card.

The bill provides that an individual may apply for renewal of an operator's, motorcycle operator's, chauffeur's, or public passenger chauffeur's license by mail or by electronic service if: (1) a valid computerized image of the individual exists within the records of the Bureau of Motor Vehicles (BMV); (2) the previous renewal of the operator's, motorcycle operator's, chauffeur's, or public passenger chauffeur's license was not made by mail or by electronic service; (3) the previous renewal included a test approved by the BMV of the applicant's eyesight; and (4) the applicant is not required to submit to a written examination.

The bill also provides that an individual may apply for renewal of an identification card by mail or by electronic service if: (1) a valid computerized image of the individual exists within the records of the BMV; and (2) the previous renewal of the identification card was not made by mail or by electronic service. The bill makes conforming changes. (The introduced version of this bill was prepared by the Interim Study Committee on Motor Vehicle Issues.)

Effective Date: January 1, 2002.

Explanation of State Expenditures: For the Bureau of Motor Vehicles (BMV), there will be start-up costs estimated at \$245,500 and annual on-going costs of about \$248,000. These costs consist of the following:

Start-up Costs:

1) Computer changes from: outside vendors:	\$200,000
in-house:	37,500
2) Equipment for additional personnel:	<u>8,000</u>
Total Start-up Costs:	\$245,500

Annual On-going costs:

1) Additional personnel: 4 Clerks	\$106,992
2) Mailing costs:	<u>141,380</u>
Total On-going Costs:	\$248,372

The fund affected is the Motor Vehicle Highway Account which supports the BMV.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified [The BMV reported that the budget submitted for the 2001-2003 biennium has 70 vacant positions, with 26 of these positions funded]; (4) Funds that, otherwise, would be reverted [The BMV reverted \$2.9 M for FY 2000]; or (5) New appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Background: Currently, identification (ID) cards expire at the end of the month of birth. The BMV will need to change the file layout for the expiration date. In 1999, 1,211,827 Operator/Chauffeur/PP Chauffeur/IDs were issued. It is assumed for estimating purposes that one-third will renew by mail (403,942). The cost for postage and envelopes is estimated at \$.35. (403,942 x \$.35 = \$141,379.70). The mailing costs consist of mailing the license to the individual. The equipment costs include PCs and are estimated at \$2,000 per employee. The additional personnel are estimated to cost \$26,748 each, or \$106,992. This represents a new effort for the BMV.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected:

Information Sources: Jane Morrical, Director of Treasury for the BMV. 232-2822; Melanie Schwartz, Deputy Commissioner of the BMV, 233-1218.